
EXECUTIVE DEPARTMENT OF INDIANA.

REPORT
OF
W. H. H. TERRELL,
FINANCIAL SECRETARY.

To the Governor, May, 1864.

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INDIANAPOLIS:
JOSEPH J. BINGHAM, STATE PRINTER.

1864.

TO THE PEOPLE OF INDIANA.

In presenting the accompanying report of my financial secretary it is proper that I should state, for public information, the reasons which induced me to establish a Financial Bureau, and assume the heavy responsibilities which were thus thrown upon me.

The Legislature of 1863 adjourned on the 9th day of March, without making any appropriations for defraying the ordinary and extraordinary expenses of the state government. The former appropriations for the Benevolent Institutions—the Hospital for the Insane, Institute for the Blind, and Asylum for the Deaf and Dumb had been nearly or quite exhausted. The Northern Prison had not only exhausted the appropriations hitherto made, but, by incurring a heavy debt in construction of buildings, had exhausted its credit also. More than one hundred thousand of our citizens had been sent to the field to assist in suppressing the rebellion, yet the only fund at my disposal from which the contingent military expenses, including the care and relief of the sick and wounded, could be paid, was a small remnant of the appropriation made in 1861. For the civil contingent expenses of the Executive Department there was no provision whatever. The Auditor and Treasurer of State, upon being consulted by me immediately after the close of the session, decided that not a single dollar, in the absence of Legislative appropriations, should be drawn from the public funds in the Treasury for these objects.

The alternatives thus presented to me, were, First—to allow the Benevolent Institutions to be closed, and permit the unfortunate inmates to be thrown back upon their respective counties, or upon the charities of the world for care and support; or, Second—to convene the Legislature in extra session, in the hope that the majority, who had full control, would pass the appropriation bills. To have closed the Asylums would have been a shame and disgrace, as well as a crime against humanity itself. To have called back the Le-

gislature, after the majority for fifty days, during which time a quorum was present in each house, out of the fifty-nine days of the regular session, had failed and refused to bring forward and pass the appropriation bills, I believed would have been perilous to the public peace and dangerous to the best interests of the State.

In this contingency I determined to procure, if possible, sufficient money to carry on all the institutions of the state and keep the machinery of the government in motion. I accordingly established a Bureau of Finance, and appointed Col. W. H. H. TERRELL Financial Secretary. My success in procuring funds exceeded my expectations, and I am gratified to state that provision has been made for all the means which will likely be required to meet every proper demand up to the next regular meeting of the Legislature.

I cannot close these remarks without referring to the very able, intelligent and faithful services of my Financial Secretary, Colonel TERRELL, whose report is herewith published. To him I am indebted for the system of book-keeping, forms of vouchers and general method of business in the Financial Department, all of which have been highly commended by those who are qualified to judge, for their simplicity, accuracy and adaptation to the purposes for which they were intended; and I desire, in this most public manner, to express my high appreciation of his eminent ability, and the valuable services he has rendered to the state, and to my administration.

OLIVER P. MORTON,
Governor of Indiana.

EXECUTIVE DEPARTMENT,
Indianapolis, May 10, 1864.

EXECUTIVE DEPARTMENT,
BUREAU OF FINANCE,
Indianapolis, May 1, 1864. }

HIS EXCELLENCY,

OLIVER P. MORTON,

Governor of Indiana.

SIR:—I have the honor to present herewith,
in compliance with your instructions, a full and complete report of
the financial operations of this Bureau, from the time of its estab-
lishment, on the 18th day of April, 1863, to the 30th day of April,
1864, inclusive.

FINANCIAL REPORT.

PLAN OF BUSINESS.

Upon receiving from you, in April, 1863, the appointment of Financial Secretary, I procured the necessary books, prepared forms for the various accounts, and commenced the transaction of business. The system of book-keeping adopted corresponds very nearly with that in use in the offices of the Auditor and Treasurer of State, with the addition of several registers and statement books not used in those offices.

The funds received have been deposited in bank and only drawn out upon checks signed by yourself, payable to the order of claimants. Accounts have been kept with the following banking houses: The Indianapolis Branch Banking Company, A. & J. C. S. Harrison, and S. A. Fletcher & Co., Indianapolis; Winslow Lanier & Co., New York, and the United States Depository, Cincinnati. No funds have been received, disbursed, or used on any account, or for any purpose, except as shown by the general statement of receipts and disbursements herewith submitted, and none have been paid out except upon proper and sufficient vouchers. Monthly settlements have been made with the banks, and the checks paid by them carefully compared with the vouchers and books of the Bureau; and statements have been prepared showing the monthly receipts and disbursements and the balance remaining on hand. In addition, general statements have been made, showing the whole operations of the Bureau up to the close of each month.

VOUCHERS.

All payments for the Benevolent Institutions and Prisons have been made upon itemized accounts, specifically setting forth the articles purchased, or the services rendered, the price and amount, and the same have been certified and approved by the Steward, Superintendent or Warden, under whose direction the purchases were made or services performed. These accounts are passed and ordered to be paid by the proper Board of Trustees, or Directors, and a warrant is annexed to each for the amount, signed by the presiding officer of the board, and attested and registered by the Secretary. When receipted by the claimants, these vouchers are paid by checks as stated. All checks are required to be endorsed by the parties, and when paid are taken up at the end of the month from the banks, cancelled, and attached to the corresponding vouchers on file.

Payments to the *Militia* and *Minute-men*, who were called out in 1862 to repel rebel raids and protect our southern border from invasion, have been made only through the State paymaster. His accounts have been regularly audited and certified by the Military Auditing Committee appointed by the Legislature, and forwarded through this Bureau to the Treasury Department at Washington, for examination and reimbursement.

The *Arsenal* and *Armory* accounts, and claims for services of *Special Surgeons*, *Supplies sent to Richmond, Virginia, for Indiana prisoners of war*, *Military Telegraphing*, *Military Agencies*, *Recruiting Service*, etc., are fully itemized, certified by the proper officers, and have been audited and certified by the Military Auditing Committee, except in a few instances where expenses were unavoidably incurred at times when the committee was not in session.

The *special premium* accounts show the names of the recruits, when and in what counties recruited, for what regiment, company or battery, when and by whom mustered into the service, and are certified by the officer or person who procured the recruits, also by the mustering officer, and the superintendent of the recruiting service, or the military commandant, under whose orders the recruits were obtained, and receipted by the recruiting officer entitled to the premiums.

In the preparation of all vouchers great care has been taken to make them complete in every particular, and it is believed that no reasonable objection can be made to them on the ground of inaccuracy or uncertainty.

The following general statement shows the amounts received and disbursed to this date.

EXECUTIVE DEPARTMENT, INDIANA—BUREAU OF FINANCE.

General Statement, showing the Receipts and Disbursements from the 18th day of April, 1863, to the 30th day of April, 1864, inclusive.

RECEIPTS.	AMOUNT.	TOTAL.	DISBURSEMENTS.	AMOUNT.	TOTAL.
On account of the Indiana Arsenal: From the United States, for ammunition and ordnance stores.....		\$339,904 67	On account of Indiana Arsenal: For supplies, labor, &c., per vouchers on file.....		\$177,545 43
On account of Loans:			On account of Indiana Militia: For pay of Indiana Legion and Minute Men.....		171,361 88
From Decatur county.....	\$7,000 00		On account of Military Contingent Fund:		
From Tippecanoe county.....	5,000 00		For special premiums, \$6 each for 11,467 recruits....	\$68,802 00	
From Marion county.....	20,000 00		For steamboats, relief of sick and wounded.....	29,512 43	
From Vermillion county.....	2,500 00		For special surgeons, to army and hospitals.....	11,728 91	
From Hendricks county.....	10,000 00		For supplies for Indiana prisoners of war.....	4,654 96	
From Henry county.....	6,000 00		For recruiting service.....	6,459 08	
From Lake county.....	1,000 00		For miscellaneous military expenses.....	3,795 60	
From Parke county.....	2,000 00		For military telegraphing.....	2,037 05	
From Fayette county.....	5,000 00		For Indiana military agencies.....	1,700 00	
From Lagrange county.....	4,000 00		For military services.....	2,000 08	
From Wabash county.....	10,000 00		For refreshments, &c., for returning veteran volunteers at Jeffersonville.....	3,537 30	
From Delaware county.....	5,000 00		On account of Indiana Armory: For equipments, materials, repairs of arms, &c.....		134,257 41
From Warren county.....	2,500 00		On account of Benevolent Institutions:		23,119 00
From Boone county.....	5,000 00		For Hospital for the Insane, 12 months.....	34,718 63	
From Hamilton county.....	2,000 00		For Institute for the Blind, 14 months.....	24,825 87	
From St. Joseph county.....	3,000 00		For Asylum for the Deaf and Dumb, 14 months.....	20,160 38	
From citizens of Wayne county.....	20,000 00		On account of State Prisons:		79,704 93
From the Terre Haute and Richmond Railroad Co.....	15,000 00		For Northern Prison, expenses and supplies.....	21,587 54	
From W. R. McKeen's Bank, Terre Haute.....	10,000 00		For Northern Prison, on old indebtedness.....	1,250 00	
From O. P. Morton, funds raised East.....	250,000 00				
On account of Indiana Militia:		385,000 00			
From S. Fisher, State Paymaster, refunded.....	50,000 00				
From the United States, refunded on vouchers.....	79,355 62				
		120,355 62			

On account of Military Contingent Fund:			For Southern Prison, supplies.....	\$4,000 00	\$26,837 54
From A. Stone, Quarter-Master General, on steamboat account, refunded.....	\$2,724 50		On account of Civil Contingent Fund:		2,327 29
From the United States, on steamboat account, refunded.....	6,585 57		For sundry expenses—civil business.....		
From Jas. Thompson, Indiana Military Agent, refunded.....	135 00		On account of Interest on Loans:		1,200 00
From Jason Ham, Indiana Military Agent, refunded.....	200 00	\$9,645 07	For one year's interest on Wayne County Loan, at 6 per cent.....		
On account of Army supplies:			On account of Superintendent of Public Instruction:		945 64
From Capt. Patton's Company, Third Indiana Cavalry, for equipments.....		1,150 50	For office and traveling expenses.....		
On account of Donation:			Total disbursements.....	617,299 14	
From Jacob Harmon, for benevolent institutions.....		50 00	Balance—cash.....	247,896 72	
Total receipts.....		\$865,195 86			\$865,195 86

On account of Military Contingent Fund:			For Southern Prison, supplies.....	\$4,000 00	\$26,837 54
From A. Stone, Quarter-Master General, on steamboat			On account of Civil Contingent Fund:		2,327 29
account, refunded.....	\$2,724 50		For sundry expenses—civil business.....		
From the United States, on steamboat account, refunded	6,585 57		On account of Interest on Loans:		
From Jas. Thompson, Indiana Military Agent, refunded.	135 00		For one year's interest on Wayne County Loan, at 6		1,200 00
From Jason Ham, Indiana Military Agent, refunded.....	200 00	\$9,645 07	per cent.....		
On account of Army supplies:			On account of Superintendent of Public Instruction:		945 64
From Capt. Patton's Company, Third Indiana Cavalry,		1,150 50	For office and traveling expenses.....		
for equipments.....			Total disbursements.....	617,299 14	
On account of Donation:		50 00	Balance—cash.....	247,896 72	
From Jacob Harmon, for benevolent institutions.....					\$865,195 86
Total receipts.....		\$865,195 86			

BENEVOLENT INSTITUTIONS.

Notwithstanding the entire failure of the Legislature to make the appropriations required for the support of these Institutions, they have been kept open, through your efforts, and the expenses regularly and promptly paid. The aggregate amount expended to the 30th April, 1864, is seventy-nine thousand seven hundred and four dollars and ninety-three cents (\$79,704 93), being expenses for fourteen months of the Institute for the Blind and Asylum for the Deaf and Dumb, and expenses for twelve months of the Hospital for the Insane, so far as warrants for the same have been presented for payment. A portion of the claims for which warrants have been drawn, on account of salaries of superintendents, etc., have been paid out of the State Treasury, and, in estimating the exact expenditures, should be taken into account. This is done in the comparative statements hereto attached.

At the time you undertook to defray the expenses of these Institutions, it was estimated by the officers in charge that about six thousand dollars (\$6,000,) would be required to pay the indebtedness then outstanding, and that seventy-three thousand dollars would be required to pay the expenses for the, then, ensuing year. The extraordinary advance, however, which was realized during the year in the prices of provisions, fuel, labor, etc., was not anticipated, yet it will be observed that the amount called for has exceeded the estimate only twenty dollars and twenty-seven cents (\$20.27). Within the past three years most of the articles consumed by the Institutions have rapidly enhanced in value, and now we find them from one hundred (100) to four hundred (400) *per cent.* higher than they were during the year immediately preceding the present war. A careful comparison of the expenses of the last year, with the expenses of the year before the war, when supplies of all kinds were plenty and cheap, will show that, notwithstanding the constant expansion of prices, the several Institutions have been carried on with commendable economy—the Hospital for the Insane costing only about one hundred dollars more than in 1860; and the expenses of the Institute for the Blind and Asylum for the Deaf and Dumb being actually *less* than they were in that year. These facts can be more clearly demonstrated by reference to the

following statements, which have been made up from the official records of the Trustees.

HOSPITAL FOR THE INSANE.

EXPENSES THE YEAR BEFORE THE WAR.

Warrants from May 1, 1860, to May 1, 1861,.....	\$36,662 87
Average number of patients three hundred.	
Average expense of each for the year,.....	\$122 20
Average expense of each per week,.....	2 35

EXPENSES LAST YEAR.

Warrants from May 1, 1863, to May 1, 1864,.....	\$36,765 33
Average number of patients three hundred.	
Average expense of each for the year,	\$122 55
Average expense of each per week,... ..	2 35½

Showing an additional expense of one hundred and one dollars and forty-six cents in favor of 1860-61, being an increase last year of thirty-five cents for the year, or half a cent per week, in the expense of each patient.

(The expenditures, as given above, do not include the amounts paid out for clothing, as the same were afterwards refunded by counties.)

INSTITUTE FOR THE BLIND.

EXPENSES THE YEAR BEFORE THE WAR.

Warrants from May 1, 1860, to May 1, 1861,.....	\$16,311 95
Average number of pupils sixty-three.	
Average cost of each for the year,.....	\$258 92
Average cost of each per week,.....	4 97

EXPENSES LAST YEAR.

Warrants from May 1, 1863, to May 1, 1864, (not including prior indebtedness,).....	\$20,304 44
Average number of pupils ninety-five.	
Average cost of each for the year,.....	\$213 73
Average cost of each per week,.....	4 11

Showing a reduction in favor of last year of 86 cents per week, or \$45 19 for the year, in the expense of each pupil.

ASYLUM FOR THE DEAF AND DUMB.

EXPENSES THE YEAR BEFORE THE WAR.

Warrants from May 1, 1860, to May 1, 1861,.....	\$31,445 64
Average number of pupils one hundred and seventy-three.	
Average expense of each for the year,	\$181 76
Average expense of each per week.....	3 49

EXPENSES LAST YEAR.

Warrants from May 1, 1863, to May 1, 1864,.....	\$25,050 85
Average number of pupils one hundred and fifty-two.	
Average expense of each for the year,.....	\$164 80
Average expense of each per week,.....	3 16

Showing a reduction in favor of last year of 33 cents per week, or \$16 96 for the year, in the expense of each pupil.

NORTHERN PRISON.

Soon after the present Board of Control of the Northern Prison assumed the management of that institution, you were applied to by the President and Warden to provide means for the payment of current expenses. The Legislature having failed to make any appropriation for the support of the prison, and its credit having been entirely broken down by the heavy debt which had hitherto been incurred in the construction of buildings, &c., it was found to be impossible to provide for the convicts and keep the concern open without money. The law requires that all convicts sent to the penitentiary from counties north of the National Road shall be confined in the prison at Michigan City. It could not, therefore, be closed. In this emergency you agreed to advance sufficient

funds to pay the expenses as they accrued. The Board was enjoined to exercise the strictest economy in the expenditures, and to realize as much as possible from convict labor.

The amount paid to the 30th of April, 1864, comprising a period of thirteen months, is twenty-one thousand five hundred and eighty-seven dollars and fifty-four cents (\$21,587 54), being about five thousand dollars (\$5,000) more than the Board estimated would be required during the time mentioned.

The remarks made under the head of "Benevolent Institutions," relative to the great and constant increase in the prices of all kinds of supplies, apply with equal force to the Northern Prison. Another matter should not be overlooked: the able-bodied convicts were under contract, made by a former Board when labor was cheap, at forty-five cents (45c.) per day, at which rate the State, of course, had to expend much more for the care and support of the convicts than was realized from their labor.

The general management of the Prison to this time appears to have been prudent and as economical as circumstances would allow. A recent letting of convicts at a largely increased price will materially augment the revenues of the Prison, and consequently reduce the outlay on the part of the State.

SOUTHERN PRISON.

The receipts from convict labor, at the Southern Prison, were sufficient to defray the expenses until December last, when a communication was received from the President of the Board of Directors, informing you that, owing to the rise in provisions, the prison was no longer able to sustain itself, and you were asked to advance the sum of four thousand dollars (\$4,000,) for the purchase of supplies. Accordingly the Board was authorized to make purchases to that amount, which was done, and the bills, certified and audited in due form, were paid. With this assistance, the Board expressed the belief that the prison would be able to sustain itself during the present year.

INDIANA ARSENAL.

The necessity which caused you to establish the Arsenal, on the 27th day of April, 1861, having in a great measure ceased to exist, the concern was, with the approbation of the Secretary of War, finally closed on the 18th day of April, 1864.

The statements herewith presented, marked A, B, C, D, E, F, and G, have been carefully prepared from official data, and completely exhibit the entire operations of the Arsenal, and the disposition and condition of the Arsenal fund, up to the 30th day of April, 1864. It will be seen that a gross profit of seventy-seven thousand four hundred and eighty-nine dollars and fifty cents (\$77,489 50) has been realized to the State, as follows: four thousand and two dollars and forty-four cents (\$4,002 44), value of tools on hand for fabricating ammunition; two thousand and seventy-four dollars and eighty-seven cents (\$2,074 87), value of ammunition retained by the State for the use of the Indiana Legion, leaving the sum of seventy-one thousand four hundred and twelve dollars and nineteen cents (\$71,412 19) as the *net cash profits* of the Arsenal, after the payment of all claims and demands.

A full and thorough examination of every transaction of a financial character connected with the institution has convinced me that the business has been honestly and economically done, and that the interests of the State have been faithfully protected by Colonel Sturm, Chief of Ordnance, under whose able supervision the Arsenal was conducted. In this opinion the Military Auditing Committee, in reports made to this department, after full investigation of the entire business, signed by Honorables Paris C. Dunning, John C. New, Samuel H. Buskirk, and Alfred Kilgore, fully concur.

[STATEMENT A.]

Operations of the Arsenal as connected with the United States.

D R.

DEBIT.	AMOUNT.	TOTAL.
The United States is charged:		
For ammunition issued at the Indiana Arsenal for account of the United States, from the 27th day of April, 1861, to the 18th day of April, 1864..	\$734,397 02	
For Ordnance materials turned over by Indiana Arsenal for account of the United States, on the 28th of March, 1864.....	47,255 32	
Total.....		\$781,652 34

C R.

CREDIT.	AMOUNT.	TOTAL.
The United States is credited:		
By Ordnance materials furnished.....	\$162,962 76	
By allowances made by the Chief of Ordnance, and paid by the United States Treasury Department	618,689 58	
Total.....		\$781,652 34

April 30, 1864.

The foregoing statement is corroborated by the following, received since this report was completed:

CERTIFICATE OF THE CHIEF OF ORDNANCE.

ORDNANCE OFFICE, WAR DEPARTMENT, }
 WASHINGTON, May 11, 1864.

This is to certify that the State of Indiana has been allowed, through this office, the sum of seven hundred and eighty-one thousand six hundred and fifty-two dollars and thirty-four cents (\$781,652 34), for ammunition and other ordnance stores furnished by that State to the United States, between the 27th day of April, 1861, and the 18th of April, 1864; that from this amount there has been deducted (for ordnance materials furnished by the United States) the sum of one hundred and sixty-two thousand nine hundred and sixty-two dollars and seventy-six cents (\$162,962 76); and that the net amount paid to the State of Indiana for these stores is six hundred and eighteen thousand six hundred and eighty-nine dollars and fifty-eight cents (\$618,689 58).

Given under my official signature the day and year above written.

(Signed)

GEO. D. RAMSAY,
 Brigadier General, Chief of Ordnance,

[STATEMENT B.]

Total Operations of Arsenal.

D R.

DEBIT.	AMOUNT.	TOTAL.
Ammunition and materials sold to the United States.....	\$781,652 34	
Net proceeds of buildings sold.....	1,108 40	
Value of Arsenal tools on hand.....	4,002 44	
Ammunition retained by the State.....	2,074 87	
Total.....		\$788,838 45

C R.

CREDIT.	AMOUNT	TOTAL.
Materials received from the United States.....	\$162,962 76	
Expenses for Arsenal supplies, &c., (see statement E.).....	548,386 19	
Gross profits of Arsenal.....	77,489 50	
Total.....		\$788,838 45

April 30, 1864.

[STATEMENT C.]

Profits of Arsenal.

MATERIALS ON HAND.	AMOUNT.	TOTAL.
Tools on hand.....	\$4,002 44	
Ammunition on hand.....	2,074 87	
Net profits of Arsenal.....	71,412 19	
Total profits.....		\$77,489 50

April 30, 1864.

[STATEMENT D.]

Arsenal Cash Account.

DATE.	RECEIPTS.	AMOUNT.	TOTAL.
April 1861 to April 1864.....	Cash received from the United States..... Cash received from sale of buildings..... Total.....	\$618,689 58 1,108 89	\$619,798 38
DISBURSEMENTS.			
July 30, 1862.....	Paid Treasurer of U. S. on direct tax.....	\$68,701 60	
July 23, 1862.....	Deposited in State Treasury.....	74,508 95	
November 12, 1862...	Deposited in State Treasury.....	64,147 36	
November 14, 1862...	Deposited in State Treasury.....	4,200 00	
December 22, 1862...	Deposited in State Treasury.....	63,245 80	
January 26, 1863.....	Deposited in State Treasury.....	5,000 00	
April 18, 1863.....	Deposited Indianapolis Branch Banking Co.....	23,207 64	
April 18, 1863.....	Deposited Indianapolis Branch Banking Co.....	49,122 20	
July 3, 1863.....	Deposited Indianapolis Branch Banking Co.....	17,928 98	
July 16, 1863.....	Deposited Indianapolis Branch Banking Co.....	47,594 30	
August 12, 1863.....	Deposited Indianapolis Branch Banking Co.....	38,548 76	
September 30, 1863...	Deposited Indianapolis Branch Banking Co.....	53,971 55	
November 13, 1863...	Deposited with Winslow, Lanier & Co., N. Y.....	41,361 88	
April 18, 1864.....	Deposited Indianapolis Branch Banking Co.....	1,108 80	
April 22, 1864.....	Deposited with Winslow, Lanier & Co., N. Y.....	50,217 17	
April 29, 1864.....	U. S. Treasury draft on hand.....	16,933 39	
	Total.....		\$619,798 38

April 30, 1864.

[STATEMENT E.]

Expenditures of Arsenal.

EXPENDITURES.	AMOUNT.	TOTAL.
The total amount expended for supplies, buildings, tools, labor, &c., as shown by Statement B, is.....		\$548,386 19
Which was paid as follows:		
From Military Fund, State Treasury.....	\$51,648 82	
From State Arms Fund.....	127,141 43	
From Arsenal Fund.....	188,243 04	
From Bureau of Finance.....	177,545 43	
Claims audited and unpaid.....	3,807 47	
		\$548,386 19

April 30, 1864.

[STATEMENT F.]

Arsenal Cash Account.

O. P. Morton, Governor, in account with Indiana Arsenal.

DEBIT.	AMOUNT.	TOTAL.
For amount of cash received, (Statement D.)		\$619,798 33
CREDIT.		
By cash paid into State Treasury	\$211,102 11	
By cash paid into United States Treasury	68,701 60	
By cash paid Arsenal expenses through Bureau of Finance	177,545 43	
Total payments		457,349 14
Balance to be accounted for		162,449 24
		\$619,798 33

MEMORANDUM

DEBIT.	AMOUNT.	TOTAL.
Due on unpaid Arsenal claims	\$3,807 47	
Due State Treasury	87,229 58	
Net profits of Arsenal	71,412 19	
Making balance as stated above		\$162,449 24

April 30, 1864.

[STATEMENT G.]

The Indiana Arsenal in account with the State Treasury.

DEBIT.	AMOUNT.	TOTAL.
For amounts drawn on account of the Arsenal:		
From Military Fund State Treasury	\$51,648 82	
From State Arms Fund State Treasury	127,141 43	
From Arsenal Fund State Treasury	188,243 04	
Total		\$367,033 29
CREDIT.		
By cash paid into State Treasury at sundry times, per Statement D.	\$211,102 11	
By cash paid into Treasury of the U. S. on account of direct government tax assessed against the State	68,701 60	
		279,803 71
Balance due the State		\$87,229 58

April 30, 1864.

[NOTE.—Since the above statement was made, Governor Morton has paid into the State Treasury the sum of \$87,229 58, being the amount of the balance due the State, and holds proper vouchers for the same.]

The cash profits of the Arsenal form a part of the general fund in your hands to be used in defraying the general expenses which may hereafter be incurred on account of the State.

STATE PAYMASTER.

The accounts of the State Paymaster, forwarded to Washington for settlement, amount to the sum of one hundred and eighty-seven thousand four hundred and fourteen dollars and eighty-two cents (\$187,414 82), upon which the sum of seventy-nine thousand three hundred and fifty-five dollars and sixty-two cents (\$79,355 62), has been refunded by the United States and credited on the amount advanced to the Paymaster through this Bureau. The balance, to-wit, one hundred and eight thousand fifty-nine dollars and twenty cents (\$108,059 20), it is expected will shortly be refunded, of which seventy-five thousand dollars (\$75,000) is due the State Treasury for amount advanced to the Paymaster out of the Special Military or Legion Fund.

From the reports of the Paymaster, Major Stearns Fisher, the following statement of his account is made:

Amount received of O. P. Morton, Governor	\$171,361 88
Amount received from State Treasury	75,000 00
	<hr/>
Total debit.....	\$245,361 88
Paid to the militia, per vouchers.....	\$187,414 82
Returned to O. P. Morton, Governor... ..	50,000 00
Total credit.....	<hr/> \$237,414 82
	<hr/>
Balance in Paymaster's hands	\$8,947 06

EXPENSES OF SUPERINTENDENT OF PUBLIC INSTRUCTION.

In June last, at a meeting of the State Board of Education, the Hon. SAMUEL L. RUGG, Superintendent of Public Instruction, represented that the legislative appropriations heretofore made for his traveling and office expenses, were entirely exhausted, and that unless some arrangement could be made to provide funds for the payment of these expenses, he would be compelled to suspend the discharge of his official duties. Thereupon, you consented to furnish the money required, and up to this time the sum of nine hundred and forty-five dollars and sixty-four cents (\$945 64) has been paid on that account.

SPECIAL PREMIUMS FOR RECRUITS.

Under the call of the President of September 14, 1863, for volunteers, a large number of recruiting officers were appointed by you to raise the quota assigned to this State. The old regiments and batteries in the field also detailed one non-commissioned officer or private from each company to recruit for their respective companies. The expenses attending this service were necessarily quite heavy, and the recruiting officers, in many cases, were unable to defray them. As a matter of justice to them, as well as to stimulate recruiting, on the 16th day of November last, you issued orders allowing a special premium of six dollars for each recruit obtained after that date, and duly accepted and mustered into the military service of the United States, the money to be paid to the recruiting officers aforesaid, upon proper vouchers at this Bureau. This arrangement proved to be of the greatest advantage to the public service. Eleven thousand four hundred and sixty-seven (11,467) recruits were obtained, the aggregate amount of premiums being sixty-eight thousand eight hundred and two dollars (\$68,802 00), for which nine hundred and forty-six (946) accounts in duplicate were presented and paid, as follows: for eight thousand eight hundred

and thirty-two (8,832) recruits for new regiments the sum of fifty-two thousand nine hundred and ninety-two dollars (\$52,992 00); for two thousand and eighty-four recruits for old regiments and batteries, the sum of twelve thousand five hundred and four dollars (\$12,504 00), and for five hundred and fifty-one (551) negro recruits for the "colored battalion," the sum of three thousand three hundred and six dollars (\$3,306 00). A few claims in favor of recruiting officers, who were required to go to the field before their accounts could be made up, yet remain unpaid. As stated elsewhere, the amount of premiums paid is a proper claim against the United States, and will be refunded.

MILITARY CLAIMS.

The expenditures made under the general head of *Military Contingent Fund*, amounting in the aggregate to the sum of one hundred and thirty-four thousand two hundred and fifty-seven dollars and forty-one cents (\$134,257 41), of which the sum of nine thousand six hundred and forty-five dollars and seven cents (\$9,645 07) has been refunded, leaving a balance of one hundred and twenty-four thousand six hundred and twelve dollars and thirty-four cents (\$124,612 34), were made on account of the existing rebellion, and are legitimately chargeable to the United States. A portion of the vouchers have been forwarded to Washington and are in process of settlement, and the remainder will be sent as soon as practicable. No doubt is entertained that the General Government will refund to the State the amount thus expended as soon as the accounting officers of the Treasury can examine the vouchers.

The expenditure on account of the *Indiana Armory* were for equipments furnished for United States troops, and for materials, tools, and labor used in repairing and taking care of arms; and the amount thus paid out is a just claim against the Government. These vouchers will shortly be forwarded for settlement.

A large balance due the State from the United States for advances made out of the *State Treasury* on account of the war, estimated in your last annual message at three hundred and fifty-

nine thousand six hundred and thirty-four dollars and seventy-five cents (\$359,634 75), for which vouchers have been filed with the third Auditor of the Treasury, remains unadjusted. All the information required to facilitate the settlement of these claims has been furnished from this department with as little delay as possible, and a speedy adjustment is anticipated. The law of Congress provides that the settlement of these claims shall be made with the Governor (U. S. Laws, 1861). It is proper, therefore, that I should state that I was informed, while at Washington a short time since, by the third Auditor of the Treasury, that no settlement has been made with you, and that no moneys whatever have been paid to you by the United States on account of said claims.

INTEREST ON THE STATE DEBT.

The Auditor, Treasurer, and Agent of State having failed to pay the interest on the two and a-half and five per cent. stocks, known as the funded debt of the State, which became due on the first day of July, 1863, an arrangement was made by you with Messrs. Winslow, Lanier & Co., of New York, to advance and pay the same, they relying upon the faith of the State, and future appropriations by the Legislature for reimbursement. As soon as correct lists of the stockholders could be obtained they commenced payment. A similar arrangement was made with the same firm for the payment of the interest due on the first day of January last.

From reports received at this Bureau from your agent in New York, John K. Gapin, Esq., under whose immediate supervision the interest was paid, the following statement is made:

INTEREST ADVANCED BY WINSLOW, LANIER & CO.

WHEN DUE.	WHEN PAID.	STOCKS.	Amounts paid.
July 1, 1863.....	December, 1863.....	5 per cents.....	\$90,325 67
July 1, 1863.....	December, 1863.....	2½ per cents.....	15,058 98
July 1, 1863.....	January, 1864.....	5 per cents.....	20,620 00
July 1, 1863.....	January, 1864.....	2½ per cents.....	7,667 04
July 1, 1863.....	February, 1864.....	5 per cents.....	4,775 00
July 1, 1863.....	February, 1864.....	2½ per cents.....	1,674 31
July 1, 1863.....	March, 1864.....	5 per cents.....	162 50
July 1, 1863.....	March, 1864.....	2½ per cents.....	21 56
July 1, 1863.....	April, 1864.....	5 per cents.....	385 00
July 1, 1863.....	April, 1864.....	2½ per cents.....	104 69
January 1, 1864.....	January, 1864.....	5 per cents.....	110,695 23
January 1, 1864.....	January, 1864.....	2½ per cents.....	22,720 63
January 1, 1864.....	February, 1864.....	5 per cents.....	3,977 92
January 1, 1864.....	February, 1864.....	2½ per cents.....	1,718 28
January 1, 1864.....	March, 1864.....	5 per cents.....	162 50
January 1, 1864.....	March, 1864.....	2½ per cents.....	21 56
January 1, 1864.....	April, 1864.....	5 per cents.....	385 00
January 1, 1864.....	April, 1864.....	2½ per cents.....	104 69
Total.....	\$280,680 56

It will be gratifying to those who appreciate the credit and good name of the State, to learn that you have arranged with the same parties to pay the interest due in July next.

EXPENDITURES FOR THE STATE PROPER.

By reference to the "General Statement of Receipts and Disbursements," it will be seen that of the entire amount expended, only the sum of one hundred and eleven thousand fifteen dollars and forty cents (\$111,015 40), being for disbursements on account of the Benevolent Institutions, State Prisons, Civil Contingencies, Superintendent of Public Instruction, and interest on loans, will, ultimately, have to be borne by the State, the Arsenal expenses having been paid from the Arsenal fund, and the Military Contingencies, pay of Militia, and Armory expenses being charged against the United States.

All which is respectfully submitted.

W. H. H. TERRELL,
Financial Secretary.

